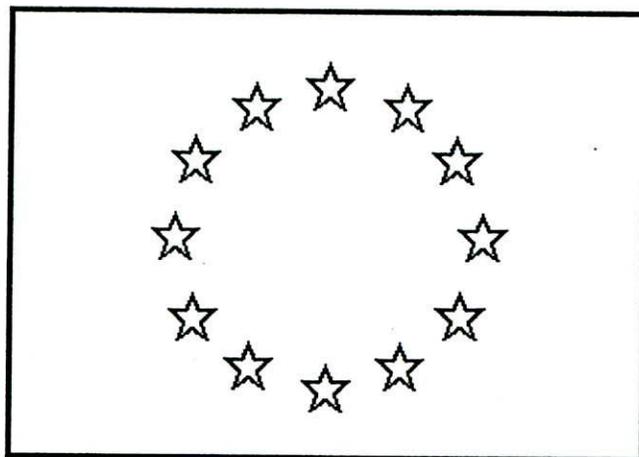


# EUROPEAN COMMISSION

Directorate General for Regional Policies and Cohesion



CENTRAL, ADRIATIC, DANUBIAN AND SOUTHEASTERN EUROPEAN SPACE  
(CADSES)

AUSTRIA, GERMANY, GREECE, ITALY

**OPERATIONAL PROGRAMME**

*1997 - 1999*

*INTERREG II C*

ERDF NO: 970010002

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INTERREG IIC Community Initiative (96/C200/07)

*Operational Programme for the*

**Central, Adriatic, Danubian  
and South-Eastern  
European Space**



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## INTRODUCTION TO THE PROGRAMME

The Interreg II C Community Initiative aims to foster transnational cooperation in the area of spatial planning and transnational cooperation within a framework of common territorial development priorities (Interreg II 96/C/200/07). In terms of its objectives, as well as its programmes, its emphasis is on the development of a strategic vision for the spatial planning of the areas in question.

The initiative involves the participation of four Member States, who have presented a joint strategy related to the area in question. Joint procedures for transnational cooperation are established, and know-how and experience in the area of spatial planning and territorial development will be pooled in cooperation between central government administrations in the Member States concerned and regional authorities.

The Community Initiative will encourage the participation of neighbouring states to the European Union in the Central and South-Eastern European area in the transnational cooperation networks, where they benefit from EU assistance under the PHARE programme.



# 1. STRATEGICAL FRAMEWORK AND TRANSNATIONAL PRIORITIES

## 1.1. Trends and perspectives for the spatial development of the area

### 1.1.1. The geographical space

The Central, Adriatic, Danubian and South-Eastern European Space (CADSES) is a very wide area whose limits refer to fundamental geographic elements: - The Central European area in the North, the Danubian Basin, The Black Sea and the Aegean sea in the East and South-East; the Adriatic basin in the South-West, the Alps on the West. From West to East the area extends in parallel from the springs of the Danubian river to its delta in the Black Sea and from the Eastern Alps to the Peloponnesos including the Adriatic - Ionian and Aegean part of the Mediterranean Basin. From North to South it extends from Berlin, Munich, Linz, and Vienna to Venice, Bari, Thessaloniki and Athens.

- These elements comprise different but overlapping areas in a continuous geographical space: a Central European space covering almost all the external borders on the European continent with Germany, Austria and Northern Italy on its Western side and the four Visegrad countries (Poland, Czech Republic, Slovak Republic and Hungary) and Slovenia on its Eastern side;
- a Danubian and Southeastern space that includes mainly the course of the Danube river (and the plain areas that it passes through: Magyar plain, Valachia) and the South-East Countries including: Slovak Republic, Hungary, Croatia, F. R. of Yugoslavia, Former Yugoslavian Republic of Macedonia, Romania, Bulgaria, Odessa Oblast in the Ukraine, southern part of Moldova;
- an Adriatic Space, including mainly the Adriatic and Ionian Sea and their wide geographical surroundings: the Appennins, the Alps, the Balkan Peninsula, the affluents on the right hand side of the Danube river - Drava, Sava, Morava etc. This space includes Slovenia, Croatia, Bosnia Herzegovina, Former Republic of Yugoslavia, Albania, Former Yugoslavian Republic of Macedonia.

These spaces cannot be rigidly distinguished without losing important elements of the cooperation options for the whole area (e.g. trans-european corridors, city networks and other thematics referred to the European spatial development). So a general comprehensive strategy based on the principle of:

- equitable and sincere cooperation between partners;
- consensual decision making of the cooperating partners, on fundamental issues;
- respect and understanding of the objectives of individual partners;
- solidarity among partners is necessary to develop all the potentialities of these spaces in a European context.

### 1.1.2. The Administrative boundaries

The four Member States participating to the Community Initiative INTERREG II C are: Austria, Germany, Greece and Italy.

The NUTS-2 regions that will take part in the programme from each participating country are:

**Austria:** Wien, Niederösterreich, Burgenland, Steiermark, Oberösterreich, Kärnten.

**Germany:** Bayern (all NUTS-2-regions), Baden-Württemberg (all NUTS-2-regions), Sachsen, Sachsen-Anhalt, Berlin-Brandenburg, Thüringen.

**Greece:** all NUTS-2-regions.

**Italy:** Friuli-Venezia Giulia, Veneto, Emilia-Romagna, Marche, Abruzzi, Molise, Puglia.

The four EU-Member States wish to cooperate with the following non-EU-Member States in the areas enumerated above, that reflects also their geographical priorities in transnational cooperation:

**Central European Space:** Poland, Czech Republic, Slovak Republic, Hungary, Slovenia.

**Adriatic Space:** Slovenia, Croatia, Bosnia Hercegovina, F. R. of Yugoslavia, Albania, Former Yugoslavian Republic of Macedonia.

**Danubian and South-Eastern European Space:** Slovak Republic, Hungary, Croatia, F. R. of Yugoslavia, Former Yugoslavian Republic of Macedonia, Romania, Bulgaria, Odessa Oblast in the Ukraine, southern part of Moldova.

The four participant Member States could consensually envisage possible cooperative activities for specific projects with other interested countries.

### 1.1.3. Weaknesses and threats for future development

This area is characterized by evident regional disparities derived first of all from the long-time lasting fractures among the three previous main economic and political areas: EU regions, CEEC regions, Yugoslavian regions.

The problems of socio-economic cohesion are relevant. Three major aspects must be considered:

- a problem of internal cohesion, among EU regions. In this space well developed regions and objective.1 regions co-exist and the disparities amongst them are wide;
- a problem of trans-border cohesion: EU regions are situated approximately along a very extended border line that crosses from North to South. Socio-economic levels of development are very different across the EU border. This border situation provides a double-competition for EU regions: towards more central EU regions and towards neighbouring external regions;



- a problem of cohesion between Central European regions (those of Visegrad countries and Slovenia) and South-Eastern European regions (those of Romania, F.R. of Yugoslavia, Croatia, Bosnia Hercegovina, Albania, Former Yugoslavian Republic of Macedonia and Bulgaria). The socioeconomic disparities among them are extremely wide since the rate of development of the first group exceeds significantly that of the second. Therefore a dichotomy exists that has to be taken into account while planning for the whole area. Otherwise the danger of enhancing disparities and possibly creating new ones is very real. Such a perspective will certainly have adverse effects on the economies of EU regions closer to non EU lagging ones, reestablishing preexisting socioeconomic barriers and hampering cohesion.

Some of the EU regions in the area are facing intense immigration flows and also a cross border commuting work force competing on a low wage level and sometimes on an illegal basis, and coming from the Balkan area, Central-Eastern Europe, Africa and Asia. This creates problems of integration and the appearance of some intolerance phenomena, especially in major urban areas. These flows have received a supplementar impulse by the recent conflicts that took place in former Yugoslavia.

The existence of people with diverse ethnic, cultural and religious backgrounds across the area as a whole is also a factor of diversity and of difficulties for the development of cooperation activities, hence an intense effort has to be made to allow the establishing of a positive dialogue.

With reference to main productive activities the possibility of uneven competition must be pointed out both for the agricultural and the traditional industrial sector. Recent economic developments in some of the non EU regions can provide risks of marginalization for the weakest EU regions that do not have opportunities to balance the loss of employment and competitiveness in traditional sectors of activities with new high-skilled or high-technology economic activities.

As most important spatial problems can be considered the followings:

- the still **lingering effects of the division of Europe** along the former "Iron Curtain", the great disparities in the economic performance and in wage levels in this space which lead to relocation of industries and services and an acceleration of structural change. Labour market problems, migration flows and finally political and social problems are the consequences in these regions;
- the **division of CEEC in two groups**. One encompassing Poland, the Czech Republic, Slovakia, Hungary and Slovenia. A second consisting of Croatia, Bosnia, F.R. of Yugoslavia, Albania, Former Yugoslavian Republic of Macedonia, Romania and Bulgaria. The first group tend to converge to EU standards. The second one tend to diverge.
- the presence of **large metropolitan areas** that still have an **incompletely defined role** in the European urban system. Special problems in this space are the necessary coordination of the transeuropean networks and the definition of the specific nodal function of the cities, the handling of immigration, population growth and the formation of illegal labour markets. Most of all very few and no fully integrated transnational

networks of cities are developed, and the possibility of developing new synergies is therefore still underutilised.;

- problems of **deficiencies in the infrastructural systems** (especially transport infrastructures) with the predominance of road transport and the related pollution problem. This problem is the more relevant as the TEN schemes and projects and their extension outside the EU territory are still undetermined;
- presence of **environmental sensitive and fragile areas** (coastal zones, mountain areas, areas of eroded and unstable soils), areas with problems of management of water resources (floods, salinization of groundwater), and problems of pollution. These are worsened by the existing disparities in the planning system and practices, specially among EU and non EU regions. The consequence is that natural and cultural non renewable resources are often damaged by the lack of common strategies for their management;
- the **fragmentation of this area** relates partly to the above mentioned **socio-cultural and political problems**, culminating for instance in the conflict in former Yugoslavia. But it is also related to geographical conditions that cannot be removed: the presence of mountainous or maritime barriers (the Alps and the Balkans, the Adriatic, Ionian and Aegean seas). This creates a strong dependency of regional development of the southern part of the considered space from the infrastructural assets.

As a consequence the area is a fragmented space, which has a strong need for cooperation and integration between West (EU members) and East (non -Eu members) as well between North and South (Mediterranean space suffering from the weakness and loss of importance compared with the Northern European spaces (predominance of Northern ports, dependence of the economic system from Northern regions)).

#### 1.1.4. Potentialities and new opportunities

The opening of new opportunities is related to the affirmation of **new political and economic cooperations** that derive from the following relevant factors:

- **application for EU membership** and European Agreements with the EU by some CEEC countries;
- the conclusion of the **process of peace** now going on in former Yugoslavia;
- the **transition process** of Central and Eastern European Countries;
- the establishing of the **new Euromediterranean partnership**.

On this basis, growing flows of goods and people between EU Member States and Eastern Europe and Eastern and Southern Mediterranean Countries have to be expected. The ancient common historical and cultural cooperations can reassert themselves as relevant elements for the development of potentialities until now confined to a regional level.

The **socio-economic potentialities** of the area are related to the following elements:

- the presence of high productivity agricultural areas that can confirm or improve their position on global markets;
- the presence of well developed industrial activities and of industrial local systems (productive districts) strongly oriented to exportation and global markets;
- the presence of exhibition and fair areas of actual or developing international level.;
- the presence of areas of well-established tourism activities, on which the recreational and leisure potentialities of the area can be further developed and reinforced.

The spatial development opportunities mainly rely on the following elements:

- urban systems in which an important role is taken by major and medium-size cities, showing the existence of developing articulated systems and urban corridors. This could be a good framework for the developing of a balanced and polycentric European urban system;
- infrastructure corridors and nodal infrastructures with good possibilities of integration and development. New perspectives in the integrated management of road, rail, sea and water transport should be integrated in the scenario of future enlarged trans-European network schemes to reach a better equilibrium in the modal split of flows;
- presence of centers of excellence for education, information, research and technological development. They can be the nodal points for the dissemination of know-how and technology and for the enhancement of accessibility to information;
- the presence of a natural and cultural heritage of unique value whose attractivity is worldwide .

Furthermore there exists a variety of cooperation initiatives at a transnational level, where states, regions and cities are involved. Exemples are:

- the bilateral spatial planning commissions of EU Member States with the neighboring states;
- the INTERREG IIA - Phare Cross Border Programmes;
- the "Arbeitsgemeinschaft Donauländer" (Working group of the Danube states);
- the network of capital cities in Central and South-East Europe;
- EUROCITIES and EUROGRAD;
- the international working group for the Danube related research;
- the association of the Adriatic regions for the development of transnational corridors, etc.

The potential of the existing cooperation initiatives will be used for the development and implementation of transnational projects.

## 1.2. Key-elements for the development of a transnational strategy of spatial development.

### 1.2.1. Main general goals

The Governments of the four Member States consider this area - located on the external border of the European Union as being vital for the interests of each of them and very important for the balanced development of the European Space because:

- it is characterized by strong economic and social imbalances;
- it is partly in a process of integration into the European Union;
- it is in a process of economic transition;
- it has experienced conflicts recently.

The imbalances among EU and non-EU transborder regions and the consequences these imbalances can have on the perspectives for the spatial development of these areas constitute a common aspect shared by Austria, Germany, Greece and Italy. Thus the four Member States face similar challenges, to which transnational cooperative activities can contribute in a positive way.

The establishment of a stronger cohesion is therefore a fundamental goal for the development of this area. In this view processes of cooperation among central and peripheral regions and among EU and non EU regions must be promoted and supported.

Austria, Germany, Greece and Italy agree to use the new Community Initiative INTERREG IIC for strengthening the good relationships between them and their respective regions facing similar challenges and to intensify the cooperation in the field of transnational and European territorial development policies - within the EU-member states on the external border of the EU and together with the Central, Adriatic, Danubian and South-Eastern European Countries. The joint programme under the community initiative INTERREG IIC should provide added value to the collaborative processes already in progress.

It is therefore of utmost importance that possibilities of combining funds under the PHARE (TACIS etc.) programmes be fully realised.

The Central, Adriatic, Danubian and South-Eastern European space lacks a common strategy of spatial development. Although there is a strong need for developing a common vision of the future development of this space it is difficult to achieve it, partly because of the evident disparities in existing national and regional planning systems and of the low level of transnational cooperation.

Therefore the first action to start with in this space is the creation and the reinforcement of cooperative networks on spatial development themes, that can open a fruitful dialogue among public and private actors operating in the area and provide the bases for the future development of common and coherent spatial development policies. The main targets of this part of the cooperative process are: the creation of a "common language" on spatial planning

and the development of scenarios and perspectives for the spatial development of this area which should lead to visions and actions for a sustainable development in this space.

The assessment of an urban system of supranational level and the improvement of transport systems are two fundamental elements to build the spatial framework to which future common development policies could be applied. So these two main themes must be privileged fields for the launching of cooperative activities, where more detailed studies and pilot projects can be developed.

The cooperation for the improvement of the accessibility to knowledges and information can play a role as a motor for the enhancement of socio-economic cohesion in this space so dramatically marked by disparities.

The development of common strategies and guidelines for the protection and the enhancement of the natural and cultural heritage must also be pursued, to avoid the destruction of non renewable resources and to establish a new sensitivity about the responsibility of protecting and enhancing of transnationally shared heritages.

### 1.2.2. The Objectives of the Programme

With reference to the general above mentioned framework and in the perspective of the elaboration of the European Spatial Development Perspective (ESDP) the main objectives of this Operational Programme will be:

1. to initiate cooperation in the field of spatial development to enhance social and economic cohesion and sustainable development in this area,
2. to take first steps to develop elements of a European Spatial Development Perspective in this area on the basis of the Principles for a European Spatial Development Policy of Leipzig, 1994, the trend scenarios of spatial development in Europe (Strasbourg, 1995) and the documents of Madrid (1995) and Venice (1996) for the purpose of
  - creating networks of cities for the development of a balanced and polycentric urban system in a European context,
  - promoting the development of environmentally compatible information and transportation networks,
  - encouraging sustainable development and ensuring the prudent management of natural and cultural heritage,
  - promoting research and technological development and maximizing the dissemination and utilization of their results.

## 2. DESCRIPTION OF THE MEASURES

### 2.1. Table summarising measures

Measure A: Initiatives for the launching of a co-operative spatial planning process

Measure B: Promoting cooperations for the establishing of more balanced and polycentric urban systems and settlement patterns

Measure C: Development of multimodality in transport systems and parity of access to infrastructures

Measure D: Cooperation for the improving of access to knowledges and informations

Measure E: Prudent management and development of natural and cultural heritages

Measure F: Technical Assistance

The following chapters present the aims and issues related to each measure and specify which types of interventions are related to each measure. Furthermore the intended results show, what kind of outputs is expected for each of the measures.

In some cases there are examples given to illustrate the types of projects or the intended results. All of these are neither exhaustive nor do they prejudice the process of project selection in any way.

## 2.2. DESCRIPTION OF THE MEASURES:

### Measure A. Initiatives for the launching of a cooperative spatial planning process

#### *Aims and issues*

The measure aims to provide a basis for the establishment of a fruitful cooperation on spatial planning matters among Members and non Members States. The European Union wants to establish economic cooperation throughout the continent and outside, including the Mediterranean space. To this goal relevant EU funds are mobilised through the PHARE, TACIS and MEDA programmes. The economic activities are therefore organizing themselves on such a large space, where administrative boundaries become more and more irrelevant. This justifies giving more attention to the spatial factors that are the basis for economic development and to the creation of new solidarities on a territorial base.

The elaboration of the European Space Development Perspective is a general answer to this aim, but it is necessary that a similar cooperative activity take place on target spaces, deepening and detailing the analysis of the same topics.

In the CADSES space the establishing of this type of spatial planning cooperation risks to be premature, so it has to be prepared by some preliminary actions

The specific aims of the measure are therefore the followings:

- the promotion of cooperations among various actors in spatial planning;
- preliminary and basic activities necessary for the elaboration of schemes and perspectives of spatial development in the context of further integration;
- awareness raising for issues related to the border (like the homogeneity or heterogeneity of border regions in the cooperation space, public awareness of border cooperation possibilities, the social and economic impacts of the income gap and immigration).

#### *Activities eligible for support*

- assessment and improvement of the comparability of existing planning **databases** on the Union-side, collection and organization of comparable basic data for non-member states.;
- assessment of spatial impact of **European policies**, especially with relation to future enlargement of the EU;
- establishment of elements of **consistent cartographic basis** and of GIS for the monitoring and the management of data (basic data and planning instruments);

- analysis and comparative classification of existing planning instruments at national, regional and local level (national schemes and perspectives, regional development plans, town-planning instruments);
- networking among planners and research institutes to facilitate the exchange of information and data, especially through the use of information technologies and to establish a functioning network for the preparation of the European Spatial Development Perspectives and the Greater Europe Regional Planning Strategy in the framework of the Council of Europe;
- elaboration of elements of a preliminary basic vision of the future perspective of spatial development of the area.

### ***Intended results***

The aimed for result is the establishing of fruitful cooperations in spatial development issues using appropriate "tools" for the further work (like a common language for spatial planning in a sense that the problem of different concepts, notions and languages in this space are tackled), where a special focus will be directed in the process of the enlargement of the EU. Thus the partners should be enabled to proceed with the work after the programme period on a much more intensified level. Tangible products at the level of information, dissemination and communication and common positions on spatial development issues are intended.

These products should also possibly provide prototypals and methodological examples for the development of future common work among participating actors (such as the elaboration of periodic surveys, reports and perspectives).

Furthermore experiences in cooperations at the external border of the EU should be used to define a much closer form of cooperation (in administrative and financial respect) at the end of the programme period.

### ***Beneficiaries***

Public administrations and private institutions

### ***Geographical coverage***

The EU part of the CADSES area

### ***Organisations responsible for implementation***

For Austria: Federal Chancellery, as national programme coordinator

For Germany: Institut für ökologische Raumentwicklung (Weberplatz, 1, 01217, Dresden, tel. 0049-351-4679274, Fax. 0049-351-4679212) as part of the Common Secretariat

For Greece: Ministry of National Economy, as national programme coordinator;

For Italy: Ministry of Foreign Affairs and Ministry of Public Works as national programme coordinators

*Duration*

1997-1999

## **Measure B      Promoting cooperations for the establishing of more balanced and polycentric urban systems and settlement patterns**

### *Aims and issues*

This measure is aimed to promote the creation and the development of cooperative networks among major and medium sized cities and among local authorities for the development of synergies and complementarities. Recognizing cities as the motors for the economic development, both on a transnational and on a regional scale, special measures have to focus upon cities in order to overcome the great disparities in this space. The competition among cities can have a positive stimulating effect, if some cooperations are established for the managing of potential conflicts and the exploiting of synergies.

Thus this measure aims at the creation, the extension and the development of cooperative networks among major and medium sized cities and among local authorities, professional and voluntary organizations of cities, where special focus is placed upon the inclusion of cities and regions of non-member states into these networks. Existing networks constitute the basis for further cooperations. Within these networks the collaborations and exchange of experiences in the fields of urban policies and spatial development should be stimulated.

As an additional but essential benefit the cooperation of major cities in the cooperation space can provide some fruitful elements for securing democracy and a positive economic and social development, also affecting smaller cities and rural regions. Know-how transfer and assistance for community development are main elements of this strategy.

### Activities eligible for support

Basically two types of cooperations are envisageable:

1. extension, elaboration and development of **urban networks** to stimulate transnational collaboration at a regional level (in the Central space, in the Adriatic space, in the Danube space, in the South-eastern European space).
2. extension, elaboration and development of **cooperation among cities** on a thematic base to improve the quality of the management of spatial planning issues through the whole space of cooperation.

Support could be given to:

- development of **joint plans and projects** ( for example to promote the development of high-order services and of sustainable economic activities, to improve environmental and cultural heritage protection, to increase efficacy of infrastructural networks and the supply of services, to improve urban networking where development corridors are establishing);

- establishment of **platforms for networking** and stable cooperation among responsible Authorities (for example to manage spatial development issues in regional spaces affected by imbalances and pressures, such as: intense migration flows, excessive urban sprawl, abandonment of rural settlements, lack of connectivity and access to transport systems and to information and knowledge, overexploitation of natural and cultural heritages);
- exchange of **experience and know-how transfer in planning** (e.g. for specific types of areas in the city and in managing common planning problems like the reduction of traffic, environmental protection and the enhancement of common cultural heritages);
- **modernization and high-quality management of cities** (e.g. through staff exchange and training and dissemination of success and through the development of networks of organizations and institutions of cities

### *Intended results*

This measure shall provide sustainable and sound bases for further city cooperations, especially with cities in non-member states. A few projects in the field of know-how transfer, cooperative activities in planning and spatial development should be performed. Thus cooperations after 2000/2001 can build upon solid basis.

**Tangible results** of this measure can be the following:

- **regular meetings and conferences** of cities - or of regional networks of cities - on issues of city planning and development;
- **common publications** of city networks for investors and developers and tourists;
- **special publications**, meetings, seminars and workshops on selected urban development problems;
- studies for the **investigation of possible development** of polycentric urban systems

### *Beneficiaries*

Public administrations and private institutions

### *Geographical coverage*

The EU part of the CADSES area

*Organisations responsible for implementation*

For Austria: Federal Chancellery, as national programme coordinator

For Germany: Institut für ökologische Raumentwicklung (Weberplatz, 1, 01217, Dresden, tel. 0049-351-4679274, Fax. 0049-351-4679212) as part of the Common Secretariat

For Greece: Ministry of National Economy, as national programme coordinator;

For Italy: Ministry of Foreign Affairs and Ministry of Public Works as national programme coordinators

*Duration*

1997-1999

**Measure C. Development of multimodality in transport systems and parity of access to infrastructures.**

*Aims and issues*

This measure is devoted to the investigation of impacts of transeuropean networks on spatial and regional development and to the promotion of multimodality and interoperativity as a fundamental instrument for the development of sustainable mobility.

Future enlargements of the European Union open new possibilities for the development of integrated transport and telecommunication networks in the cooperation space. The international corridors connecting the major cities in the area have to be strengthened. These large scale corridors require special efforts of spatial planning to ensure an optimal development of settlement patterns within these corridors and in regions related to them and to ensure the safeguarding of open spaces, natural areas and sensitive landscapes

A growing volume of long distance freight transport has to be transferred from road transport to rail and waterway. Three main waterways have in particular a potential role that must be better exploited, seeing them as axes of joint relevance for the rebalancing of transport flows and for the providing of low-cost and environmentally friendly transport: the Danube inland waterway, the Adriatic - Ionian maritime waterway and the Aegean maritime waterway. Each of them can play an integrating role, with a possibility of developing also interesting complementarities. Alongside them rail and road axes are to be structured or improved to strengthen the north-west south-east large multimodal corridors that are the structuring elements for the CADSES space, together with the other cross axes that are going to be developed in the framework of the future enlarged TENS.

Special effort has to be made to promote multimodality and interoperativity in transport system. Road transport tends to prevail in freights and in passengers transport and this leads to growing congestions and pollutions that have severe regional impacts on spatial development perspectives. A wider and improved efficiency in the organization and in the management of transport systems is therefore necessary. Especially cities as the nodal point of TENs have a major responsibility in ensuring a real multimodal organization of transports and providing a regional equivalence of access to TENs.

*Activities eligible for support*

Support will be given to cooperations and networking, studies and pilot projects concerning the following:

- cooperative studies on the impacts of major European transport networks and corridors on spatial structure and on regional development of the cooperation space;

- multimodal improvement of elements of the transport system (operational and organizational improvements like logistics, customer services) and multimodal connection of transport systems (combined terminals, container transport, coordination of rail and air traffic, etc), with particular regard to environmentally friendlier modes of transport. Feasibility studies on preconditions, consequences, advantages and disadvantages of multimodal transportation systems in the region.;
- organization and custom clearance of rapid freight transports on border crossing points and in ports of the region;
- networking and cooperation among authorities managing nodal infrastructures - elaborating nodal functions of cities in the Transeuropean network;
- activities related to the Danube river, the Adriatic-Ionian sea and the Aegean sea as waterways and the questions of harmonizing the different functions they grant (transport, energy, ecology, tourism, ...) in the framework of the development of transport corridors, with particular attention to the development and modernization of systems for the management of traffic flows and logistics and to the improvement of connection of ports to hinterlands;
- promotion of the use of telecommunication and of new information systems for transport organization, management of maritime and inland waterways traffic flows and terrestrial traffic flows (e.g. systems for the safety of navigation and hazardous good transportation), computerized management of logistics;

### *Intended results*

On the level of spatial planning and multimodality in transport systems the four cooperating Member States should be enabled to work on common positions in these questions tackling issues of common interests at the level of transnationally coordinated studies (analytical and feasibility studies).

Furthermore cooperation among actors should be encouraged in the framework of the development of transnational transport corridors.

On the pilot project level the use of new information and telecommunication technologies shall be developed and implemented, with the perspective of the improvement of multimodality and interoperativity.

### *Beneficiaries*

Public administrations and private institutions

### *Geographical coverage*

The EU part of the CADSES area

*Organisations responsible for implementation*

For Austria: Federal Chancellery, as national programme coordinator

For Germany: Institut für ökologische Raumentwicklung (Weberplatz, 1, 01217, Dresden, tel. 0049-351-4679274, Fax. 0049-351-4679212) as part of the Common Secretariat

For Greece: Ministry of National Economy, as national programme coordinator;

For Italy: Ministry of Foreign Affairs and Ministry of Public Works as national programme coordinators

*Duration*

1997-1999

## Measure D Cooperation for the improving of access to knowledge and information.

### *Aims and issues*

This measure aims to establish and to improve cooperations among the actors that are involved in the process of generating and disseminating knowledge and information as a strategical element in the spatial development process.

Each of the measures developed in the operational programme has an important scientific and technical aspect but also of cultural development and of the involvement of people and institutions acting on the field. "Culture" in this respect can be seen not only as a topic in its own right in the programme, but could possibly also provide interesting tools for dissemination of other information and knowhow.

Some specific support will be provided to encourage a wide participation of skilled human resources and interested institutions to the development of standardised methods of analysis and techniques of intervention and to ensure the largest dissemination of results. Furthermore good practices and results related to spatial planning and regional development achieved in other countries and regions can be disseminated in a wider circle. The measure will therefore provide a tool for the establishment of solid bases to future stable cooperation on the issues considered by the programme and for the development of transnational projects.

### Activities eligible for support.

In principle this measure relates to projects in the form of

- cooperations among economic actors and associations (Chambers of Industry and Commerce, Chamber of Crafts, etc.);
- cooperations among scientific and cultural institutions (universities, research institutes, etc)

These cooperations can assume different forms, which have to be related to the context of the other measures. Some examples are:

- initiating network newsletters for different networks and activities;
- promotion of the use of Internet and other modern information technologies in spatial planning; supporting the creation of "home pages", for local authorities, economic actors and associations, spatial planning and research organizations of the region;
- exchange of researchers and planners, common research and training projects;
- diffusion and exchange of technologies relevant for spatial planning issues, e.g. in the field of the protection of the environment;

- dissemination of experiences and results of multiregional and trans-border spatial planning in the European Union, as well as some knowledge related to spatial planning in a market economy environment, e.g. through workshops.

### *Intended results*

The measure will provide a tool for the establishment of solid bases to future stable cooperation on the issues considered by the programme and for the development of transnational projects.

Tangible results can have different forms - from information materials (like Internet homepages established and books, prospects, brochures and newsletters published on the issues and results of spatial planning in the cooperation space) up to new forms of cooperation and communication (like joint training programmes for planners or the development of an electronic planning dictionary).

### *Beneficiaries*

Public administrations and private institutions

### *Geographical coverage*

The EU part of the CADSES area

### *Organisations responsible for implementation*

For Austria: Federal Chancellery, as national programme coordinator

For Germany: Institut für ökologische Raumentwicklung (Weberplatz, 1, 01217, Dresden, tel. 0049-351-4679274, Fax. 0049-351-4679212) as part of the Common Secretariat

For Greece: Ministry of National Economy, as national programme coordinator;

For Italy: Ministry of Foreign Affairs and Ministry of Public Works as national programme coordinators

### *Duration*

1997-1999

**Measure E. Prudent management and development of natural and cultural heritages.**

*Aims and issues*

This space has unique natural and cultural assets that must be protected using not a mere conservative strategy, but aiming at promoting and improving biodiversity and cultural diversity and giving impulse to a concerted orientation of actors that leads to the enrichment of heritages for future generations.

A wider shared sensitivity about the relevance of natural and cultural heritages must take place in the area. The aim should be the achievement of common strategies for the protection and the maintaining of the environment, the restauration and the enhancement of architectural heritage, a quality development of cultural landscapes.

First of all an action of inventoring and cataloguing is necessary, to have a more systematic awareness about the consistency and the importance of the heritages. This is particularly relevant in reference to cultural heritage and landscapes, since the informations and the data are collected following national catloguing criteria not comparable at all at european level.

Furthermore a networking and dissemination action is necessary about the most appropriate management methods and protection-restoration technologies for the achievement of common reference standards and for the harmonization of national and transnational interventions.

Finally some actions are needed to ensure a cautious enhancement of the heritages, by the mean of the development of quality tourism.

*Activities eligible for support.*

- completion and improvement of existing materials (for example related to the identification and preservation of biotopes, ecologically endangered areas, main environmental emergencies and risk source, flood zones and natural corridors) and facilitation of electronic exchange of these materials; production of thematic maps, data banks etc.
- launching and development of concerted planning , cooperations for the development of natural resources, creation of common reference standards and transfer of methodologies and tools for environmental safeguard and restoration activities, (e.g. for the securing of the sustainability concerning natural resources (soil, water, living space) of agriculture forestry and water management by common spatial planning in sparsely forested parts of plain and hilly areas; projects for the maintaining of the quality of water in transnational river and sea water basins);
- creation and development of networks among authorities and institutions for the systematic exchange of informations and data-banks and the launching of common management

strategies and practices (within the national legal frameworks) for the protection, the enhancement and the counteracting of ecological risks concerning: wetlands, forests, rivers (Danube), maritime basins (Adriatic, Aegean).

- comparison and **evaluation of cataloguing systems adopted** in participating countries (e.g. for cultural heritage, landscapes, etc), definition of common minimal requirements consistent with computerized transferable standards,(e.g. for the cataloguing of cultural assets and landscapes at transnational level, standardised cataloguing of cultural heritages and landscapes that are particularly representative of the historical and cultural evolution of the cooperation space));
- **exchange of experiences and practices and establishment of common methodologies** for the evaluation of risks of degradation of cultural assets and landscapes,for the restoration of cultural assets and development of suitable computerized information systems;
- elaboration of **thematic maps** on issues relevant for the protection and enhancement of cultural heritages and landscapes, such as: actual levels and risks of degradation of cultural heritage and landscapes, architectural and figurative languages, characteristic historical building techniques;
- cooperation for the **development of quality tourism** for the enhancement of cultural heritage and landscapes (concepts, marketing, transnational cultural itineraries)

### *Intended results*

The results of this measure should lie in the field of information and networking, exchange of experience and awareness raising in the field of environment and of cultural heritage protection and enhancement on a transnational basis. Information systems, guides and catalogues, establishing of cooperative networks and the creation of transnational touristic itineraries could be tangible results.

### *Beneficiaries*

Public administrations and private institutions

### *Geographical coverage*

The EU part of the CADSES area

### *Organisations responsible for implementation*

For Austria: Federal Chancellery, as national programme coordinator

For Germany: Institut für ökologische Raumentwicklung (Weberplatz, 1, 01217, Dresden, tel. 0049-351-4679274, Fax. 0049-351-4679212) as part of the Common Secretariat

For Greece: Ministry of National Economy, as national programme coordinator;

For Italy: Ministry of Foreign Affairs and Ministry of Public Works as national programme coordinators

*Duration*

1997-1999

## Measure F. Technical Assistance

### *Aims and eligible expenditures*

The implementation of the operational programme needs technical support. In particular the measure will provide the Monitoring and Steering Committees the required technical assistance, financing the establishment and operation of networking Secretariats subject to eligibility rules in particular as regards personnel costs,, the coordination of transnational project working groups and expertises or studies that should be necessary to achieve the best implementation of the Operational Programme.

Meetings of representatives of Eastern European Countries will be paid for by means of PHARE. However the travel expenses of EU experts and officials attending meetings held in non-Member States participating in this programme are eligible under this measure.

Furthermore expenditure approved in advance by the Monitoring Committee for monitoring and evaluation actions and for publicity actions,, homepages, etc.in support of Interreg II C-projects will be eligible

### Beneficiaries

Central and regional administrations of participating EU member states.

### Geographical coverage

The EU part of the CADSES area

### Organisations responsible for implementation

The secretariat of the Monitoring Committee.

### 3. FINANCIAL PROVISIONS

The operational programme is estimated to imply a total expenditure of 35.151.000 ECU by EU participants . The contribution from the Structural funds should represent a 58,1% of that expenditure , that is to say 20.414.000 ECU. This contribution is made up of the following allocations made to each participating Member state: - Austria 6.14 MECU, Germany 4.320 MECU, Greece 2.655 MECU, Italy 7.3 MECU. National counterparts should cover the remaining 41,9% of the total cost, that is to say 14.737.000 ECU.

The structural fund assistance is provided entirely by the ERDF. The rate of the community assistance should be equivalent to 75% of the total expenditure in regions covered by objective 1 and to 50% of the total expenditure in the rest.

Objective 1 regions should receive 11,353.000 ECU, equivalent to 32,30% of the total expenditure. The structural fund assistance for Objective 1 regions should represent 41,71% of the total assistance from the structural funds, amounting to 8.515.000 ECU. Other regions should receive 11.900.000 ECU.

National counterparts should spend 2.838.000 ECU for Objective 1 regions, representing 19,26% of the total national counterparts contribution. Other regions should receive 11.900.000 from national counterparts.

The duration of the programme is fixed in 36 months, from January 1997 up to December 1999. An amount of 8.787.750 ECU will be spent in 1997, equivalent to the 25% of the total cost. 12.3032.850 ECU, i.e. 35% of the total cost will be spent in 1998 and 14.060,400 ECU will be spent in 1999 (40%).

It is estimated, that in relation to the partnership with PHARE countries, a further EU-contribution of the order of 10 MECU from the PHARE programme may be mobilised for all participating PHARE beneficiaries taken together, in relation to an estimated 5 MECU from national resources in the same States, either in the form of cofinancing or of contributions in kind. Due to the innovatory character of this programme, it must be underlined that these estimates can only be very tentative at this stage.

## FINANCIAL TABLES

**Table A: Financial plan for expenditures co-financed by Structural Funds in relation to the CADSES Interreg II C programme:**

**1997-1999**

Total Cost	Total Cost	Total Public Expenditure	Total Community Assistance (ERDF)	Total for national co-financing	Private costs (N/A)*
Measure A	5296,60	5296,60	3063,80	2232,80	
Measure B	5045,00	5045,00	2976,00	2069,00	
Measure C	11017,00	11017,00	6643,00	4374,00	
Measure D	4762,00	4762,00	2638,00	2124,00	
Measure E	7333,00	7333,00	4163,00	3170,00	
Technical Assistance	1697,40	1697,40	930,20	767,20	
<b>TOTAL</b>	<b>35,151,00</b>	<b>35,151,00</b>	<b>20,414,00</b>	<b>14,737,00</b>	

**\*) N/A = not available, ex ante**

**Table B: Financial plan for 1997**

1997 measure Cost space of the period	per Total Whole 25 % of 3-years	Total Cost	Total Public Expenditure	Total Community Assistance (ERDF)	Total for national co-financing	Private costs (N/A)*
Measure A		1324,15	1324,15	765,95	558,20	
Measure B		1261,25	1261,25	744,00	517,25	
Measure C		2754,25	2754,25	1660,75	1093,50	
Measure D		1190,50	1190,50	659,50	531,00	
Measure E		1833,25	1833,25	1040,75	792,50	
Technical Assistance		424,35	424,35	232,55	191,80	
<b>TOTAL</b>		<b>8787,75</b>	<b>8787,75</b>	<b>5103,50</b>	<b>3684,25</b>	

\*) N/A = not available, ex ante

Table C: Financial plan for 1998

1998 per measure Total Cost Whole space 35 % of the 3- years period	Total Cost	Total Public Expenditure	Total Community Assistance (ERDF)	Total for national co-financing	Private costs (N/A)*
Measure A	1853,81	1853,81	1072,33	781,48	
Measure B	1765,75	1765,75	1041,60	724,15	
Measure C	3855,95	3855,95	2325,05	1530,90	
Measure D	1666,70	1666,70	923,30	743,40	
Measure E	2566,55	2566,55	1457,05	1109,50	
Technical Assistance	594,09	594,09	325,57	268,52	
<b>TOTAL</b>	<b>12302,85</b>	<b>12302,85</b>	<b>7144,90</b>	<b>5157,95</b>	

\*) N/A = not available, ex ante

**Table D Financial plan for 1999**

1999 per measure Total Cost Whole space 40 % of the 3- years period	Total Cost	Total Public Expenditure	Total Community Assistance (ERDF)	Total for national co-financing	Private costs (N/A)*
Measure A	2118,64	2118,64	1225,52	893,12	
Measure B	2018,00	2018,00	1190,40	827,60	
Measure C	4406,80	4406,80	2657,20	1749,60	
Measure D	1904,80	1904,80	1055,20	849,60	
Measure E	2933,20	2933,20	1665,20	1268,00	
Technical Assistance	678,96	678,96	372,08	306,88	
<b>TOTAL</b>	<b>14060,40</b>	<b>14060,40</b>	<b>8165,60</b>	<b>5894,80</b>	

\*) N/A = not available, ex ante

## **4. PROGRAMME IMPLEMENTATION**

### **4.0. Introduction**

Cooperation at transnational level in the field of spatial development requires a more intense cooperation among administrations. Interreg II C is a good test for the identification of most effective ways to cooperate in this field and the four participant Member States will do their best to achieve this goal. Notwithstanding two aspects must be considered:

- the feasibility of new cooperation structures, owing to the existing national legislations and rules;
- the necessity of keeping the management of the programme as simple as possible to avoid that a too complicate implementation framework should absorb an excessive amount of financial and human resources, hampering a successful testing of the Interreg II C potential for the development of a European spatial development policy.

The tasks concerning programme management, monitoring, finance and evaluation (according to the Structural Funds guidelines) have to be divided between the transnational level and the national level.

### **4.1 Submission and selection of project proposals.**

Member States agree to coordinate the drafting, timetable and procedure-for project assessment in the framework of the transnational steering committee ( defined below)to the maximum extent possible. They intend to introduce open calls for project proposals or for implementation whenever possible..

### **4.2 Forms of application.**

The following procedure will be used for the majority of applications:

Applications are made by each national partner in a project to the relevant national committee ( see below for definitions). Applications are coordinated by the project coordinator. The relevant national committees ensure that the applications meet the minimum requirements defined above and rank it in relation to the priority selection criteria.The secretariat of the transnational steering committee ensures a coordination of this assessment process. It submits a single consolidated assessment from all the relevant national committees to the transnational steering committee with a recommendation as appropriate to accept, further develop, or refuse a project.It confirms at that time the willingness of national authorities to cofinance a project which it is recommended to accept. The transnational steering committee debates the recommendations of the national committees and takes a final decision on EU funding. The EU funding is attributed to the States involved according to the financial plan of the project

In addition, it is agreed that the following method of work should be experimented :

A single application is made by the project leader relating to the project as a whole to the national committee responsible for the State in which the project leader is located. The national committee ensures that the applications meets the minimum requirements defined above and ranks it in relation to the priority selection criteria. It forwards the application to the transnational steering committee with the appropriate recommendation. It confirms at that time the willingness of the national authorities concerned to cofinance the entirety of the project. Alternatively, it may be proposed that the EU contributes 100% of the public sector contribution. The transnational committee debates the recommendation of the national steering committee and takes the final decision on EU funding. The EU funding is attributed to the States involved according to the financial plan of the project.

Priority in the use of Indexation credits would be given to supporting such experiments.

### **4.3. Project Selection criteria**

#### **4.3.1 Minimum requirements.**

- projects should have a transnational character, that is to say at least two cooperating partners from different states must participate in a project ( either two Member States or one Member State and one non-Member State) and each partner has to contribute to the project. The non-Member State(s) contribution can assume the form of a contribution in kind. The form of cooperation, the content of the project and the distribution of work must be the subject of a written agreement between the partners which will include the amounts of the funds ( or contribution in kind) that each partner contributes. For each project there is a project coordinator (1) or project leader (2) who is responsible for reporting to the funding authorities on progress in implementation;
- projects should have a link to spatial planning and contribute to economic and social development;
- projects selected must be completed before 2001;
- projects should not consume excessively the funds within one measure ( each measure should support a few projects);
- projects must respect national and EU environment legislation
- projects must not be funded by other EU programmes ( double financing must be avoided);
- duplication of existing work ( studies, collection of data, networking) must be avoided.

#### 4.3.2. Priority criteria ( for the ranking of projects).

- projects should contribute to an improvement in the institutional setting, that is relations between the authorities, institutions and organisations involved in spatial planning issues;
- project should provide for a continuation of transnational activities beyond 2001 ( e.g. by secure future funding during the project);
- projects should produce tangible and visible results;
- projects should have a trans-sectoral approach
- projects should contribute to the cohesion of the programme and/or produce synergies and/or complementarities with other projects
- projects should have an innovative approach ( new thematic studies, new forms of information generation, of communication or dissemination etc);
- projects should contribute as far as possible to preserving and improving the environment with a view to sustainable development.

#### 4.4. Programme management structure at transnational level

The common management and implementation framework shall consist of:

- a Monitoring Committee
- a transnational Steering Committee
- a transnational Secretariat
- transnational project working groups (optional)

Due to the fact that members of the Monitoring Committee are normally members of the Steering Committee as well, the Monitoring Committee and the Steering Committee shall coordinate their meetings accordingly.

#### 4.4.1. Monitoring Committee (MC)

Pursuant to the EU-Framework Regulation Art.6 and Coordination Regulation Art.25, 26 for each operational programme a Monitoring Committee has to be created.

##### *Tasks*

The Monitoring Committee shall act as laid down in the standard clauses of this programme. In this framework it shall amongst others:

- take care of compliance with regulatory provisions;

- set up standards for technical and financial monitoring;
- determine the assessment criteria for the operational programme;
- give guidance on the interpretation of the eligibility criteria of the selection of projects in accordance with the Interreg II C guidelines and the criteria laid down in the operational programme;
- place evaluation studies in order to gauge the socio-economic impact of the transnational co-operation activities;
- secure the adherence to Community policies;
- if necessary:
  - adjust the procedure for granting assistance as initially approved;
  - adjust the financing plan envisaged, including any transfer between Community sources of finance and the consequential adjustment of the rates of assistance.

### *Membership*

The Monitoring Committee shall have a limited number of members in order to preserve its operability and effectiveness.

The Monitoring Committee shall be at least composed of:

- representatives of governments responsible for INTERREG II C;
- a representative of the European Commission (GD XVI);
- a representative of the regions for each Member State.

Representatives of Non Member States as well as national experts will be offered participation in accordance with the dispositions concerning partnership with such States described below.

### *Chairmanship*

The Monitoring Committee shall have a chairman. The chairman alternates between the Member States in alphabetical order. The programme period from the approval by the Commission until end of 1999 will be divided in four sub-periods of equal duration.

### *Procedure*

The Monitoring Committee shall meet at least four times in the programming period. It shall act by consensus. The Monitoring Committee shall establish its own rules of procedure.

The chairman is responsible for the preparation of the meetings of the Monitoring Committee.

The Monitoring Committee shall have a secretariat that will be provided by the Common Secretariat.

#### 4.4.2. Steering Committee (SC)

As main body of the common structure the Steering Committee shall have responsibilities for the transnational management of the cooperation actions.

Its activities shall be supported

- at transnational level by:
  - a common secretariat
  - transnational project working groups (the optional project working groups will report to their respective national committees)
- at national level by
  - national committees.

#### *Tasks*

The Steering Committee shall amongst others:

- approve the use of the available Community funds based on the proposals submitted by the Member States
- apply project selection and eligibility criteria to the assessment of individual project proposals in accordance with the guidelines for INTERREG IIC, the criteria laid down in the operational programme; and such further guidance as may be given by the Monitoring Committee
- monitor technically and financially the programme based on reports prepared by the secretariat and on data provided by the national secretariats;
- provide a coordination function for the implementation of the projects on a transnational basis by deciding upon the establishment of transnational project working groups (optional).

#### *Membership*

The Steering Committee shall have a limited number of members in order to preserve its operability and effectiveness.

The Steering Committee shall be at least composed of:

- representatives of governments responsible for INTERREG II C;
- a representative of the European Commission (GD XVI) who will be given the status of an observer;
- a representative of the regions for each Member State

Representatives of Non Member States as well as national experts will be offered participation in accordance with the dispositions on partnership with such States described below.

### *Chairmanship*

The Steering Committee shall have a chairman. The chairman alternates between the Member States in alphabetical order. The programme period from the approval by the Commission until end of 1999 will be divided in four sub-periods of equal duration.

### *Procedure*

The Steering Committee shall meet at least four times in the programming period. It shall act by consensus. The Steering Committee shall establish its own rules of procedure.

The chairman is responsible for the preparation of the meetings of the Steering Committee.

#### **4.4.3. Common Secretariat**

Monitoring Committee and Steering Committee shall be assisted by a Common Secretariat. The Common Secretariat will be composed of one designated representative for each participating State who will assure an efficient coordination with national secretariats. Technical assistance credits could therefore be used to establish the capacity for rapid electronic communication using compatible systems between the representatives and, possibly, between them and their principal correspondants elsewhere in the national administrations, and with the project coordinators or project leaders of assisted projects. Within this network ( the virtual secretariat), focal points could be established to undertake specific tasks such as reporting to the Commission's services, information and animation actions, relations with neighbouring non-Member States, and providing administrative and logistic support to the transnational steering committee. The Common Secretariat will have a Coordinator. The Coordinator alternates between the Member States in alphabetical order. The programme period from the approval by the Commission until end of 1999 will be divided in four sub-periods of equal duration. The Coordinator will have the same nationality of the Chairman of the Monitoring and Steering Committee.

The task of the Common Secretariat is the preparation of the meetings of the Monitoring and the Steering Committee, amongst other in particular:

- to draw up proposals for the decisions of the Steering Committee (which includes a coordinated assessment of project proposals) and the Monitoring Committee;
- to coordinate the activities of the Transnational Project Working Groups;
- to provide for a common framework of activities of the national secretariats;
- to draft interim and final reports;
- to fulfil usual work of a secretariat i.e. organization of the meetings, minutes, etc.

The Common Secretariat will be financed by the technical assistance within the programme.

#### 4.4.4. Transnational project working groups

The transnational coordination and cooperation for projects where more than one State is involved takes place within working groups. Their formation is optional. The establishment of these working groups, their themes and tasks are determined by the the Steering Committee. Nevertheless, the implementation of the projects remains within the responsibility of each of the funding Member State.

These working groups meet at an informal basis. Members of these working groups are project developers from the participating Member States and, according to the scope of the project, also participants of the Non Member States are included.

The project working groups report to the responsible national programme management. The working groups inform the Common Secretariat of the Monitoring Committee and Steering Committee about their activities and progresses in the development and implementation of projects.

#### 4.5. National Programme management

The rules for administration of public financing and the responsibilities for spatial planning policy are not homogeneous among participating Member States. Each Member State will assure the most efficient management of the programme at national level establishing in accordance with its national rules and legislation a national committee. The national committee shall be assisted by a secretariat

The financial control of EU funds is the responsibility of the State in which they are effectively disbursed during the implementation of each project..

##### *Tasks*

The national committee shall among others:

- decide on the allocation of the funds (EU funds and national co-financing);
- assume the overall responsibility for the control of the funds allocated, securing the conformity with available resources and budgetary rules
- secure the adherence to other community policies
- preliminary assess project proposals of project applications according to the common standards for eligibility
- involve the regional and local authorities
- approve annual reports at the national level

#### 4.6. Partnership with participating non Member States.

Non-Member States wishing to participate, are asked to send a letter of intent to the Commission. Letters of intent have been received so far from the Czech, Slovak, Hungarian and Slovenian Republics, from Croatia, Serbia, Romania, Bulgaria, the Former Yugoslavian Republic of Macedonia and from Albania

These States will be invited to participate in the work of the Monitoring Committee and the Steering Committee as observers if they wish, and they will be invited to express their views, and to take part in the consensus concerning the funding of projects that are to be supported financially or in kind by public sector bodies in their country.

Non-Member States who benefit from the PHARE participate normally on a project specific basis. Individual projects will be submitted to the PHARE management committee as appropriate for PHARE financing, but there is no ex ante amount set aside for this specific purpose. These States do not establish special implementation procedures on their territory, but use the established procedures for cross border cooperation projects. They participate in the Monitoring Committee and in the Steering Committee as observers if they wish, but will be invited to express their views, and to take part in the consensus concerning the funding of projects that are to be supported financially or in kind by public sector bodies in their country

For those PHARE non-Member States who wish to participate fully in the programming process, an experimental procedure could be adopted during the implementation of the Programme: in agreement with the PHARE management committee, a general line could be set aside in the annual budget for PHARE credits in 1998 and in 1999 for participation in the INTERREG 11C programme, without specifying individual projects. In this case the PHARE Management committee should in effect accept to delegate to the INTERREG 11C Steering Committee (under the authority of the Monitoring committee) the verification of those individual projects. For their part, non-Member States should accept to follow the same implementation procedures on their territory as are established in this programme for Member States (sections 4,1 to 4,5 above). They could then participate in the work of the Monitoring Committee and in the Steering Committee in the same way as Member States. However they could not take part in the consensus concerning the use of credits for projects located only on EU territory in view of the dispositions of Union legislation governing the Structural funds.

Special arrangements may be possible for projects where the financial contribution from participants in non - Member States is small or in kind, and constitutes only a small percentage of the total cost of the project which is essentially incurred on Union territory. An accelerated procedure could be imagined based on the PHARE small project facility, or based on the project leader concept applied to the management of structural funds. This operational programme could provide an opportunity to experiment with such arrangements.

## 5. STANDARD CLAUSES

### IMPLEMENTATION OF A C I OPERATION

#### A. Principles and provisions governing the prior appraisal, monitoring, interim assessment and ex-post evaluation of assistance

Within the framework of the partnership the Commission and the Member States cooperate, multilaterally where appropriate, on the structures, methods and procedures to be used in order to make monitoring systems and appraisal and assessment work more effective.

##### 1. Prior appraisal (Article 26 of Regulation (EEC) No 4253/88)

Prior appraisal is the responsibility of both the Member States and the Commission and is to be carried out through the partnership.

The results of the prior appraisal of the CI operation are an integral part of the document.

Applications for ERDF assistance in respect of the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 (i.e. those the total cost of which exceeds ECU 25 million for infrastructure investments and ECU 15 million for productive investments) must also include the information referred to in Article 5 of Regulation (EEC) No 4254/88. This information shall cover, for investments in infrastructure, analysis of the costs and socio-economic benefits of the project, including an indication of the expected rate of use, and, for productive investments, an indication of the market outlook for the sector concerned.

Other projects are appraised in an appropriate way by the Member States. Where appropriate, the results of this appraisal are made available to the relevant Monitoring Committee.

##### 2. Monitoring and interim assessments (Article 25 of Regulation (EEC) No 4253/88)

The monitoring of the CI operation is backed up by interim assessments so that any adjustments required in the course of implementation may be made.

Monitoring and interim assessments are the responsibility of the Monitoring Committee and are based in particular on financial, physical and impact indicators defined in the CI operation.

Monitoring involves the organization and coordination of the data relating to the financial, physical and impact indicators and those concerning qualitative aspects of implementation (particularly economic and social, operational, legal or even procedural aspects).

Monitoring entails measuring the progress made in implementing the operation and results in the annual reports referred in Article 25(4) of Regulation (EEC) No 4253/88. Where appropriate, and on the basis in particular of interim assessments, it proposes adjustments.

Interim assessments include a critical analysis of the data collected through monitoring, including those forming part of the annual reports.

Interim assessments measure the extent to which the objectives pursued are gradually being attained, explain any discrepancies and forecast the results of the operation. They also express a view about the validity of the operation in progress and its relevance to the objectives selected.

As a general rule, where an operation lasts for more than three years, a mid-term assessment is undertaken after the third year of implementation so that any adjustments required can be made.

Normally, the Monitoring Committee will rely on an independent assessor to carry out these assessments. Where during the partnership discussions, it is originally not decided to engage such an assessor, the Commission reserves the right to do so during implementation of the operation.

Independent assessors are required to observe confidentiality when dealing with Monitoring Committees' data to which they have access.

3. Ex post evaluation (Article 26 of Regulation (EEC) No 4253/88)

Ex-post evaluation of the assistance undertaken under CI operation is based on the information gathered through monitoring and the interim assessments of operations undertaken and collection of statistical data relating to indicators defined when the objectives were laid down.

The Member States and the Commission may be assisted by independent organizations or experts, who will have access to the Monitoring Committees' information and data. Such bodies are required to observe confidentiality when dealing with the data.

**B. The monitoring of the CI operation**

4. The Monitoring Committee

**Establishment**

A Monitoring Committee, organized in the context of the partnership, is responsible for monitoring implementation of the CI operation.

The Monitoring Committee consists of representatives of the Member State including, as appropriate, representatives of the competent authorities and bodies as referred to in Article 4 of Regulation (EEC) N° 2052/88, as well as representatives of the Commission and the EIB. The Member State, the Commission and the EIB shall appoint their representatives to the Monitoring Committee within 30 days of notification to the Member State of the Commission decision approving the CI operation. The chairman of the Monitoring Committee shall be appointed by the Member State.

The Monitoring Committee shall establish its own rules of procedure, including any appropriate organizational arrangements.

The Committee may meet at the initiative of either the Member State concerned or the Commission. The Monitoring Committee shall normally meet twice a year, or more often if necessary.

The Monitoring Committee shall be assisted by a secretariat responsible for the preparation of documentation relating to monitoring, reports, agendas and summary records of meetings. The authority responsible for implementation of the CI operation shall provide the secretariat. In principle, the documents required for the work of the Monitoring Committees shall be available three weeks before the date of the meeting.

## Duties

The Monitoring Committee ensures, amongst others, the following tasks :

- \* It ensures the satisfactory progress of the operation in order to achieve the objectives laid down. It shall take care in particular of :
  - compliance with regulatory provisions, including those relating to the eligibility of measures and projects;
  - conformity of the measures with the priorities selected and the objectives foreseen;
  - compliance with the other Community policies;
  - coordination between assistance from the Funds and assistance granted by the other grant and loan instruments of the Community.
- \* It lays down provisions for the effective implementation of the measures. It is regularly informed about the description of individual projects submitted for Community assistance, and the resulting outcomes. In the case of major projects, the Committee ensures, where appropriate, that the information required under Article 5 of Regulation (EEC) No 4254/88 (the ERDF Regulation) is supplied to the Commission.
- \* It monitors, organizes and examines the work on interim assessments of the operation on the basis of the financial, physical and impact indicators defined therein at the level of the measures and, if applicable, the sub-programmes.
- \* It proposes any steps required to speed up implementation of the operation where delays are revealed by the periodic results yielded by monitoring and interim assessments.
- \* It prepares and deliberates on any proposals to amend the operation in accordance with rules and procedures set out at 5. below.
- \* It coordinates promotion and publicity for the operation in accordance with Commission Decision N° 94/342/CE of 31.5.94 concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the Financial Instrument for Fisheries Guidance (FIFG)<sup>1</sup>;
- \* It proposes technical assistance measures, to be adopted by the chairman in agreement with the Commission representative and implemented within the relevant financial allocation;
- \* It gives its opinion on the draft annual reports.

At its first meeting, the Committee shall draw up and approve detailed provisions for the discharge of the duties assigned to it with particular reference to the monitoring and interim assessments of the operation. These provisions comprise particularly, when they are not expressly defined in the operation:

- the procedures and arrangements for selecting individual projects and actions, including the selection method and operational selection criteria;

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1 OJ n° L 152 of 18. 6.1994

- the arrangements for informing the Monitoring Committee about individual projects submitted for Community assistance.

5. Procedures for the amendment of the CI operation

5.1 The following amendments may be decided on by the Monitoring Committee in agreement with the representatives of the competent authorities of the Member State and the Commission:

- (a) Any modification of the total cost of or the Community contribution to a subprogramme<sup>2</sup> or to an annual instalment of the operation by transferring it to another subprogramme or annual instalment. Such a modification may not exceed 30% of the total cost of or the Community contribution to the operation as a whole. However, this percentage may be exceeded provided that the amount of the modification does not exceed ECU 20 million.

Any modification is subject to the availability of funds and must remain compatible with the Commission's budgetary rules. It may not affect the total amount of Community assistance granted to the operation. It may entail transfers of resources between the Community Structural Funds and a change in the rate of assistance.

- (b) Other minor modifications concerning the implementation of measures which do not affect the indicative financing plan, with the exception of the provisions concerning aid schemes.

Decisions concerning modifications must be notified to the Commission and the Member State immediately. Whenever the amounts of finance are altered, the notification shall be accompanied by the revised financing plan for the operation.

The responsible Commission service shall acknowledge receipt of the notification and confirm the date thereof. The modification shall take effect once it has been confirmed by the Commission services and the Member State concerned, which must be done within 20 working days following the date of receipt of the notification<sup>3</sup>.

5.2. Any modification exceeding the thresholds set out in 5.1(a) and which does not alter the total amount of Community assistance granted to the operation, shall be decided on by the Commission in agreement with the Member State and after receiving the opinion of the Monitoring Committee in accordance with the following procedure:

The Member State sends the Commission an application for modification. The application must include:

- \* the revised financing plan. The amounts contained therein in respect of past years must correspond to the expenditure incurred during those years;
- \* if the annual instalments have not been systematically closed at the end of the years concerned as at the first sub-paragraph of point 19 of the provisions for financial implementation, certificates of expenditure actually incurred during earlier years;

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<sup>2</sup> If there are no subprogrammes, the amounts refer to the measures.

<sup>3</sup> Justification shall be provided for any refusal of confirmation.

\* the opinion of the Monitoring Committee on the modification concerned.

The responsible Commission service shall acknowledge receipt of the notification and confirm the date thereof. The Commission shall approve the modification within four months following the date of receipt referred to above.

- 5.3. In the case of a modification of the total amount of Community assistance previously granted for the operation, the Commission and the Member State shall amend the previous decisions to grant assistance to the operations. In accordance with Article 36(2) of the Financial Regulation, an amendment to the total amount of aid granted to an operation must be decided on by the Commission in accordance with the relevant procedures.
6. Reports on the implementation of operations (Article 25(4) of Regulation (EEC) No 4253/88)

All the reports which the authorities designated by the Member State are to submit to the Commission shall be drawn up in accordance with a jointly agreed plan (reports to be submitted within six months of the end of each year and the final report in the case of multiannual operations, and the single report on operations lasting less than two years).

The Member State shall inform the Commission no later than three months after adoption of the operation by the Commission which authority is responsible for preparation and submission of the annual reports. Three months after its appointment, that authority shall send the Commission a proposal concerning the submission of these reports.

The final reports shall contain a brief summary of implementation of the operation and of the results of the interim assessments and initial factors for assessment of the economic impact on the basis of the indicators selected.

**C. Technical assistance and experts**

The operation includes a financial allocation, agreed by the partnership, for assistance towards measures to prepare, appraise, monitor and evaluate measures planned or undertaken under the operation. Information and publicity measures undertaken pursuant to Commission Decision 94/342/EC of 31.5.94 concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the Financial Instrument for Fisheries Guidance (FIFG) may also be financed under this heading. These measures are undertaken as part of the work of the Monitoring Committee.

In carrying out the duties imposed on them, the representatives of the Member State and the Commission may, by mutual agreement, be accompanied by their experts. This agreement shall only be refused for duly justified reasons.

**D. Information and publicity**

Commission Decision n° 94/342/EC concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the FIFG shall apply.

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## FINANCIAL IMPLEMENTATION PROVISIONS FOR ASSISTANCE

1. The Commission and the Member States have agreed to apply in the following way Articles 19 to 24 of Council Regulation (EEC) No 4253/88 of 19 December 1988<sup>4</sup>, as amended by Regulation (EEC) No 2082/93<sup>5</sup>, in cooperation with the authorities responsible for the implementation of assistance.
2. The Member State undertakes to ensure that, for operations part-financed by the Structural Funds and the FIG, all bodies designated by the authority empowered to certify the reality of expenditure and involved in the management and implementation of these operations maintain either a separate accounting system or an adequate accounting codification capable of providing detailed and complete summaries of all transactions involving Community assistance (in accordance with paragraph 21). This is intended to facilitate the verification of expenditure by Community and national control authorities.
3. The accounting system based on supporting documents which can be checked must be able to provide :
  - detailed statements of expenditure including, for each final beneficiary, details of the monitoring of each measure part-financed and setting out in national currency the amount of receipted expenditure and showing the dates of receipt and payment in the case of each supporting document;
  - summary statements of expenditure relating to all the measures part-financed.

### **The concepts of "legal and financial commitment at national level", "expenditure actually incurred" and "final beneficiaries".**

4. "Legally binding arrangements" and "requisite financial commitments" comprise the decisions taken by the final beneficiaries to implement eligible operations and the allocation of the corresponding public funds. These definitions have to take account of the particular features of institutional organizations, of the administrative procedures of each Member State and of the nature of the operations.
5. "Expenditure actually incurred" must relate to payments effected by the final beneficiaries, supported by receipted invoices or accounting documents of equivalent probative value as provided for in paragraphs 13, 14 and 20.

Under Article 17(2) of Regulation (EEC) No 4253/88 as amended, Community assistance is to be calculated in relation to either the total eligible cost or the total public or similar eligible expenditure. The financing plans for assistance set out the options selected.

6. "Final beneficiaries" are :
  - public or private bodies or firms responsible for commissioning works;
  - in the case of aid schemes and aid granted by bodies designated by the Member States, bodies which grant such aid.

The bodies concerned shall institute the collection of financial information (survey of receipted invoices or accounting documents of equivalent probative value).

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4 OJ No L 374, 31.12.1988, p. 1.

5 OJ No L 193, 31.07.1993, p. 20.



7. The second subparagraph of Article 21(3) of Regulation (EEC) No 4253/88 as amended states that payments must be made to the final beneficiaries without any deduction or retention which could reduce the amount of financial assistance to which they are entitled. Paragraph 5 of that Article requires the Member States to make the advances and payments to the final beneficiaries as soon as possible, and as a general rule within three months of receipt of the appropriations by the Member State, provided that the beneficiaries' applications fulfil the conditions necessary for payment to be made.

#### **Mechanisms for Community commitments and payments**

8. Initial and subsequent budgetary commitments are based on the financing plan and are generally implemented in annual instalments, except, as appropriate, where measures are to be carried out over a period of less than two years or where the Community assistance does not exceed ECU 40 million.
9. The first annual instalment is committed when the Commission adopts the decision approving the assistance.
10. Subsequent commitments are made in the light of the level of expenditure, which indicates the progress made in implementing the assistance. They are normally made when the Member State certifies to the Commission that expenditure actually incurred by the final beneficiaries amounts to:
  - at least 40% of the estimated total eligible cost or expenditure (as shown in the financing plan) corresponding to the commitment of the preceding instalment and that actual implementation of the form of assistance is proceeding as programmed;
  - at least 80% of the total eligible costs or expenditure relating to the penultimate commitment;
  - 100% of the total eligible cost or expenditure relating to the instalment or instalments preceding the penultimate commitment. The earlier instalments must in the meantime have been closed.
11. If the financing plan is amended, further commitments may be made in respect of an annual instalment already committed. Supplementary advances in respect of these further commitments may be made only at the request of the Member State.
12. Subject to budgetary availability, an annual instalment of Community funding for assistance will be committed when the conditions set out in paragraphs 9 and 10 are met, irrespective of the date on which this occurs. Consequently, during any given financial year an annual instalment relating to a past or future year may be committed.
13. For each commitment, a first advance of up to 50% may be paid. Except for the first commitment, the advance will be paid when the Member State certifies that 60% and 100% respectively of the total eligible cost relating to the last and the penultimate instalments, as laid down in the current financing plan, have been spent by the final beneficiaries. At this stage proof of the expenditure actually incurred can be based on appropriate information obtained from the system for monitoring the assistance. Furthermore, the Member State must certify that the action is progressing as scheduled in the programme.
14. A second advance such that the sum of the two advances does not exceed 80% of the commitment may be paid when the Member State has certified that at least half of the first advance (i.e. at least 25% of the total commitment where the first advance was 50% of the commitment) has been spent by the final beneficiaries, and that implementation of the assistance is progressing as scheduled in the programme. At this stage, proof of

the expenditure actually incurred must be provided in accordance with the conditions set out in paragraph 13.

However, in exceptional and duly justified cases and to cope with particular difficulties, the Commission may, at the Member State's request, accept that the certified expenditure relates to payments to the final beneficiaries (in particular, for operations carried out by autonomous bodies).

15. Where a single commitment pursuant to Article 20(3) of Regulation (EEC) No 4253/88 as amended is made, the first advance may be up to 50% where implementation forecasts show that 50% or more of forecast eligible expenditure are to be carried out in the first two years of implementation. Otherwise the first advance may not exceed 30%. The second advance is calculated in accordance with Article 21(3) of that Regulation.
16. If, when the financing plan for a form of assistance is amended, Community commitments and/or payments already made exceed the amounts entered in the amended financing plan, the Commission makes an adjustment to take account of the over-commitment or over-payment when it authorizes the first financial operation (commitment or payment) following the amendment<sup>6</sup>. If the amendment creates a right to payments additional to those already made under the previous instalments, the Member State is required to make a supplementary application for payment (see paragraph 11). The Commission makes the financial settlement on the basis of the annual instalments in the current financing plan as amended by the Monitoring Committee or the Commission.
17. If the financing plan is amended so that expenditure is very heavily concentrated on one instalment, the first advance to be paid in respect of that instalment will not normally exceed 30%.
18. If the amendment to the financing plan exceeds the limits of the powers delegated to the Monitoring Committees, the amounts for previous years entered in the revised financing plan must correspond to the expenditure actually incurred in those years as submitted or to be submitted in the certificates and annual reports on implementation.
19. An annual instalment may be closed (submission of expenditure for payment of the balance) either :
  - systematically on 31 December of the year in question, which entails a review of the financing plan and its retroactive adjustment where expenditure actually incurred during that year does not coincide with that programmed (this option has been chosen by the ESF), or
  - when expenditure actually incurred reaches the amount stated in the financing plan for the instalment in question, irrespective of the date. This means that in general the budgetary exercise may not coincide with the period in which anticipated expenditure for the exercise in question was actually incurred (this option has been chosen by the ERDF and the EAGGF).
20. Payment of the balance in respect of each commitment is subject to the following conditions :

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<sup>6</sup> In the case of de-commitments made necessary by the total or partial non-execution of actions for which credits had been provided, de-commitments occurring in the course of exercises prior to the exercise in the course of which the commitments were made, the provisions apply of Article 7(6) of the financial regulation of 21.12.1977 applicable to the general budget of the European Communities last amended by regulation (EURATOM, ECSC, EEC) N° 610/90 (OJ N° L 70 of 16.3.1990).

- submission to the Commission by the Member State or by the designated authority of an application for payment within six months of the end of the year concerned or of completion of the operation. This application must be based on expenditure actually incurred by the final beneficiaries;
- submission to the Commission of the reports referred to in Article 25(4) of Regulation (EEC) No 4253/88 as amended. These annual reports on implementation should contain sufficient information for the Commission to assess the progress made in implementing part-financed measures. Except in duly justified cases, these reports should include information on expenditure actually incurred which is compatible with the last certificates received before submission of the annual report;
- transmission by the Member State to the Commission of a certificate confirming the information contained in the application for payment and the reports.

#### **Declaration of expenditure and application for payment acceptable to the Commission**

21. The date from which expenditure is eligible is stated in the decision to grant assistance. Declarations of expenditure submitted to support any application for payment must show the expenditure broken down by year and sub-programme and/or category of measure or action and the total amount of such expenditure, so demonstrating the link between the indicative financing plan and expenditure actually undertaken. Certificates of expenditure must have been based on the detailed statements of expenditure referred to in paragraph 3.
22. All payments made by the Commission as part of a grant of assistance are made to the authority or national, regional or local body designated by the Member State, normally within two months of receiving an acceptable application. The Commission shall inform the authority or body concerned, within the same timescale, where the application is not acceptable.
23. The Member State must ensure that requests for payment and statements of expenditure are, as far as possible, submitted at regular intervals throughout the year.

#### **Use of the ecu and conversion rates, indexation procedure**

24. In accordance with Article 22 of Regulation (EEC) No 4253/88 and the provisions of the Commission Regulation (EEC) No 1866/90 of 2 July 1990 on arrangements for using the ecu for the purposes of the budgetary management of the Structural Funds<sup>7</sup>, as amended by Regulation (EC) No 402/94<sup>8</sup>, all commitments and payments are made in ecus.
25. In accordance with Article 5(3) of Regulation (EEC) No 1866/90, statements of expenditure in national currency are converted into ecus at the rate for the month in which the Commission receives the statements.
26. In accordance with Articles 2 and 4 of Regulation (EEC) No 1866/90 the financing plans for Community support frameworks (CSFs), single programming documents (SPDs) and the assistance (including grants of assistance for Community Initiatives) are drawn up in ecus and do not give rise to indexation, subject to the following provisions.

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<sup>7</sup> OJ No L 170, 03. 07.1990, p. 36.

<sup>8</sup> OJ No L 54 of 25.02.1994.

27. Each year the overall Community assistance for the CSFs, SPDs and the proposals for Community Initiatives (CIs) is supplemented by additional resources arising from the indexation of the Structural Funds and the FIG. These resources are based on an annual breakdown of the Community assistance in ecus set out in the Commission decisions approving the CSFs and the SPDs and those proposing CIs to the Member States. The annual breakdown, at the prices for the year in which each decision is taken, must be calculated in a manner compatible with the progressive increase in the commitment appropriations shown in Annex II to Regulation (EEC) No 2052/88 as amended. For indexation purposes this compatibility must be maintained throughout the period of implementation of the CSFs, SPDs and CIs.

The Commission decisions will contain also, for guidance, the initial forecast breakdown between the Funds and the FIG contained in the financing plans, with the proviso that this breakdown may be altered subsequently in the light of programming changes.

28. Indexation is based on a single rate per year, corresponding to the rates applied annually to budget appropriations on the basis of the mechanism for the technical adjustment of the financial perspectives.
29. The additional financial resources generated by the indexation of each Community support framework (CSF), single programming document (SPD) or proposal for a Community Initiative (CI) are obtained as follows:

Not later than the beginning of each year the Commission applies the indexation rate for the year in question to the annual instalments for that year and subsequent years in the most recent indexed version of the annual breakdown of Community assistance for each CSF, SPD or proposal for a Community initiative contained in the Commission decision approving the CSF, SPD or proposal for a Community Initiative.

The difference between the allocation thus obtained and that resulting from the preceding indexation operation constitutes the additional financial resources generated by the indexation for the year in question.

This procedure is equivalent to breaking down in proportion to the total financial allocation for the CSF, SPD and CI proposal the additional amounts produced by the indexation of the appropriations shown in Annex II to Regulation (EEC) No 2052/88.

30. The additional financial resources generated by the indexation of each CSF, SPD and CI proposal are allocated as follows :

- the Monitoring Committee for the CSF, SPD or CI proposes the allocation<sup>9</sup> of the additional financial resources generated by the indexation of the CSF, SDP and CI proposal by reinforcing certain existing measures and/or setting up new operations.

This allocation of resources always differentiates between amounts to be allocated to the CSF/SDP as such (national initiatives) and those for Community Initiatives.

- On the basis of that proposal the Commission decides formally to grant additional assistance or to fund new operations in accordance with the procedures in force.

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<sup>9</sup> The allocation need not necessarily be made each year. For example, where the amounts for CSFs or SPDs are relatively small, the additional resources generated by indexation can be aggregated and allocated as a single operation in the final year of the CSF or SDP.

### Financial control and irregularities

31. Checks may be carried out in accordance with Article 23(2) of Regulation (EEC) No 4253/88 both by the Member State and by the Commission to ensure that funds are being spent in accordance with the objectives laid down, the rules in force and the principles of sound financial management. The checks must enable the Commission to ensure that all expenditure charged to assistance has actually been incurred, and is correct, eligible and regular. The Member State and the Commission will exchange immediately all relevant information concerning the results of these checks in accordance with Commission Regulation (EC) No 1681/94 of 12.7.1994 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organization of an information system in this field.

The Member State shall keep available for the Commission all national audit reports drawn up on each form of assistance.

32. Pursuant to Article 23(3) of Regulation (EEC) No 4253/88, for a period of three years following the last payment in respect of an assistance the authorities responsible for implementation shall keep available for the Commission all supporting documents concerning expenditure and checks relating to the operation.

### Prevention and detection of irregularities

#### Reduction, suspension and cancellation of assistance

#### Recovery of sums wrongly paid

33. The Commission Regulation No 1681/94<sup>10</sup> contains detailed provisions for the implementation of the second indent of Article 23(1) of Regulation (EEC) No 4253/88 as amended.
34. The Member State and the beneficiaries shall ensure that the Community finance is used for the purposes intended. If an operation or measure appears to justify only part or none of the assistance allocated, the Commission may reduce or suspend the assistance and the Member State will then recover the sums due as provided for in Commission Regulation (EEC) No 1865/90 of 2 July 1990 concerning interest on account of late payment to be charged in the event of late payment of assistance from the Structural Funds<sup>11</sup>. The authority responsible for repaying to the Commission sums wrongly paid is the authority designated by the Member State and referred to in paragraph 22. In disputed cases, the Commission will undertake a suitable examination of the case in the framework of the partnership, in particular requesting the Member States or other authorities designated by it to implement the operation to submit their comments within two months. Commission Regulation No 1681/94 shall apply.
35. If there is considerable delay in implementing an assistance, the Commission, in cooperation with the Member State, may consider reallocating the resources of the Funds by reducing the financial allocation to that assistance. This does not mean a reduction in the financial allocation to the CSF.

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<sup>10</sup> OJ No L 178, 12.07.1994.

<sup>11</sup> OJ No L 170, 03.07.1990, p. 35.

### Procedure for closure of the assistance

36. The decisions to grant assistance lay down time-limits for implementation which relate both to the adoption of legally binding provisions and the commitment by the Member State of the financial resources required and to the closure of payments to the final beneficiaries. At the request of the Member State, duly made before expiry of the time-limits and supported by information establishing the justification for such a change, the Commission services may extend the time-limits by not more than one year. If the extension requested is for more than one year, a formal Commission decision is required.
  37. No expenditure incurred after the end date, as extended where appropriate, may be taken into consideration for the grant of assistance from the Structural Funds.
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## COMPLIANCE WITH COMMUNITY POLICIES

Under Article 7 of Regulation (EEC) No 2052/88 as amended, measures financed by the Structural Funds or the FIGF must comply with the provisions of the Treaties, with the instruments adopted pursuant thereto and with Community policies. This compliance is verified in the examination of requests for funding as well as during the implementation of measures.

### 1. The competition rules

- 1.1. If the Community is to part-finance State aid schemes, the Commission must approve such aid in accordance with Articles 92 and 93 of the Treaty.

Under Article 93(3), Member States must notify the Commission of any measure granting, altering or extending State aids to firms.

However, aid which complies with the "de minimis" conditions set out by the Commission in the Community guidelines on aid to small and medium-sized enterprises<sup>(1)</sup> does not have to be notified and so does not require prior approval. It must comply with the implementing rules set out by the Commission in its letter to the Member States of 23 March 1993.

- 1.2 In addition, specific obligations as regards notification apply to aid granted in certain industrial sectors in accordance with the following Community rules:

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|-------------------------------|--|
| - steel (NACE 221)            | ECSC Treaty, and in particular Decision 91/3855/ECSC   |
| - steel (NACE 222)            | Framework for certain steel sectors not covered by the ECSC Treaty 88/C 320/03   |
| - shipbuilding (NACE 361.1-2) | Council Directive 93/115/EEC   |
| - synthetic fibres (NACE 260) | Code on aid to the synthetic fibres industry 92/C 346/02   |
| - motor vehicles (NACE 351)   | Community Framework for State aid to the motor vehicle industry 89/C 123/03 extended by Community Framework 93/C 36/06 |

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(1) OJ No C 213, 19.8.1992.

2. Award of contracts

- 2.1. Implementation of measures part-financed by the Structural Funds or the FIFG must comply with Community policy and directives for the award of contracts.
- 2.2. Pursuant to Article 25(6) of Regulation (EEC) No 4253/88, notices sent for publication in the Official Journal of the European Communities pursuant to those directives must specify the projects in respect of which Community assistance has been applied for or granted.
- 2.3. Applications for assistance in respect of the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 must include a complete list of contracts already awarded and the relevant written reports when these are required under the public contracts directives. An updated version of this information is to be sent to the Commission with the application for payment of the balance for contracts awarded in the meantime.

In the case of other projects, in particular those included in operational programmes and forming part of structures<sup>(2)</sup> whose total value is above the thresholds laid down by Article 16(2) of Regulation (EEC) No 4253/88, the written report on each contract awarded, when provided for in the public contracts directives, shall be made available to the Monitoring Committee and sent to the Commission if it so requests.

3. Protection of the environment

- 3.1. Measures part-financed by the Structural Funds and the FIFG must abide by the principles and objectives of sustainable development as laid down in the "Community programme of policy and action in relation to the environment and sustainable development" included in the Council Resolution of 1 February 1993<sup>(3)</sup>. They must also comply with Community legislation on the environment. Priority must be given to achieving the objectives set out in that legislation insofar as it is connected with the regional development envisaged.
- 3.2. For programmes or other similar operations (global grant or aid scheme) likely to have a significant impact on the environment, the Member States shall, as required by Article 14 of Regulation (EEC) No 4253/88, enclose with their application information to enable the Commission to evaluate the impact on the environment.

Applications for assistance concerning the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 must be accompanied by a questionnaire on the assessment of the environmental impact of the project concerned pursuant to Directive 85/337/EEC<sup>(4)</sup>. This same questionnaire must accompany the information sent to the Commission concerning the large projects submitted for assistance from the ERDF in the framework of an operational programme as foreseen under Article 5 of Regulation (CEE) N° 4254/88.

4. Equal opportunities for men and women

The measures part-financed by the Structural Funds and the FIFG must comply with, and where appropriate contribute to, Community policy and legislation on equal opportunities for men and women. In particular, consideration should be given to

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(2) "Structure" means a series of building or civil engineering works which have a technical or economic function in their own right.

(3) OJ No C 138, 17.5.1993.

(4) OJ No L 175, 5.7.1988.

applications concerning investments and training which facilitate the return to the labour market of people with children.

5. Other Community policies

Measures part-financed by the Structural Funds and the FIFG must comply with the other Community policies provided for in the Treaties, in particular the establishment of a space without internal borders, the common agricultural policy in all its aspects including the exclusions at points 1(b) et 2 of the annex to Commission Decision 94/174/EC<sup>(5)</sup>, the common fisheries policy in all its aspects, including the rules for assistance laid down in (EEC) Regulation n° 3699/93<sup>(6)</sup> of the Council, social policy, industrial policy, policies concerned with energy, transport, telecommunications and information techniques, transeuropean networks and research and development.

6. General provisions

In implementing Community assistance, the Member States shall take all appropriate measures, whether general or specific, to ensure fulfilment of the obligations arising out of the Treaty or resulting from action taken by the institutions of the Community.

For its part, the Commission shall ensure respect of Community legislation arising from the treaties. The Member States shall facilitate the Commission's achievement of this task. To this end, they shall provide, at the Commission's request, any useful information required.

If the Commission considers that Community legislation has not been complied with in the case of a particular measure, it shall, in accordance with Article 24 of Regulation (EEC) No 4253/88, examine the case in the framework of the partnership, in particular requesting that the Member State or authorities designated by it to implement the operation submit their comments within a specified period of time.

If that examination confirms the existence of an irregularity, the Commission may initiate infringement proceedings under Article 169 of the Treaty. Once this has been done (by the sending of a letter of formal notice), the Commission will suspend Community assistance to the project in dispute.

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(5) OJ N° L 79 of 23.03.94  
(6) OJ. n° 346 of 31.12.1993